



The Real Estate ANALYST

DECEMBER 24
1959

Volume XXVIII

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Number 56

Real Estate Economists, Appraisers and Counselors

CONSTRUCTION EMPLOYMENT -- A MEASURE OF LOCAL CONSTRUCTION ACTIVITY

ON the following pages we have charted employment in contract construction in 104 metropolitan areas. Contract construction employment includes only those employed by firms engaged in the construction business which work on a contract basis for others. It does not include construction workers employed by the Government or by firms engaged primarily in other production. Although contract construction employment accounts for only 60 percent of the total number of workers engaged in construction activity, it is a good indicator of construction activity and is one of the few measures available by metropolitan areas. For the last two years most of the areas have shown an upward trend (63 metropolitan areas). Twenty-one areas showed a downward trend, and 20 showed relatively stable trends. The table on page 553 shows that national construction employment increased 3.9 percent from September 1958 to September 1959.

The value of new construction put in place in constant dollars increased 5.2 percent from September 1958 to September 1959. Why should there be this difference? There are several reasons: 1) contract construction is only a part of total construction activity; 2) repair and maintenance are excluded from value of new construction, but not from contract employment; 3) there are errors in the estimates of the value of construction completed; and 4) different kinds of construction, such as industrial and residential, will require different amounts of labor, although total value of construction might be the same.

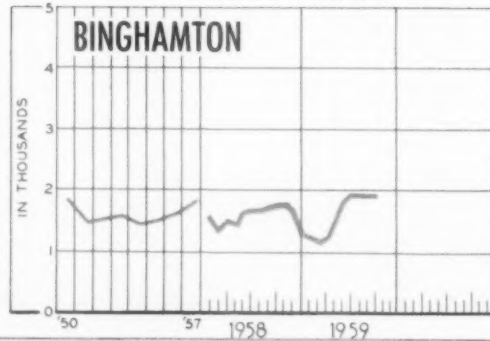
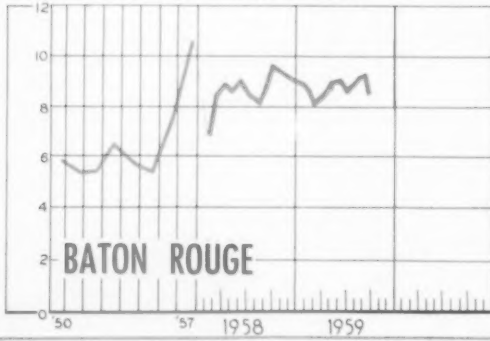
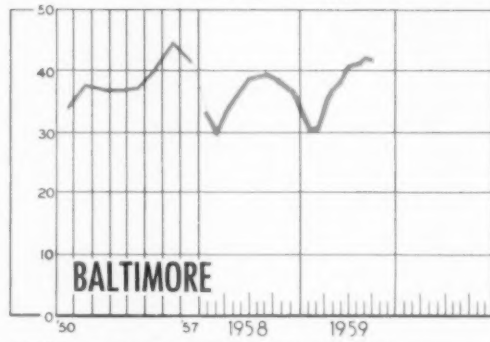
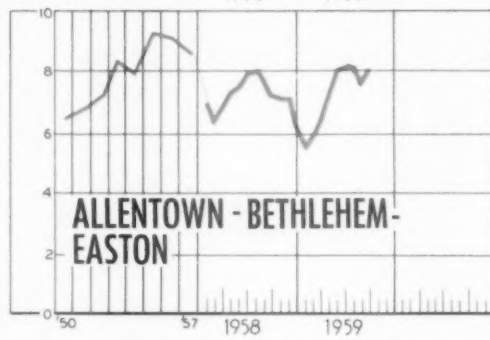
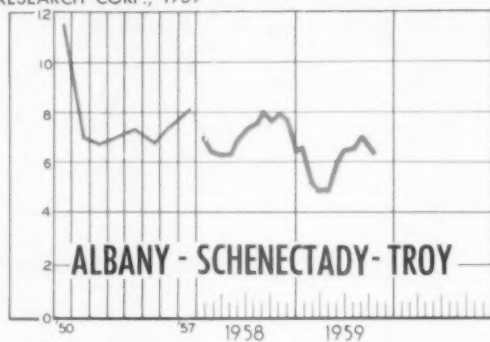
There are both seasonal and general trends in construction employment. The table on page 553 shows the change in contract construction employment by States from September 1958 to September 1959. Arkansas, probably as a result of the unstable political and social situation, makes the worst showing - down about 23 percent. Construction employment in New Mexico has fallen about 13 percent. This is probably due to the completion of special Capehart housing around Albuquerque. Iowa, Kentucky, Nevada, and Texas show the greatest increase in construction employment, about 10 percent.

Much seasonal variation in construction employment appears in the northern metropolitan areas, such as Chicago, Minneapolis-St. Paul, and Rochester. The weather is not the only seasonal factor. There are unemployed days between contracts. During 1958, 24.6 percent of contract con-

(cont. on page 554)

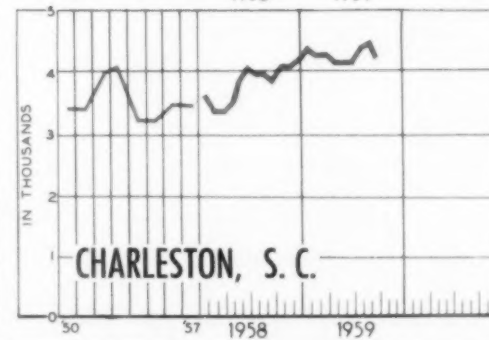
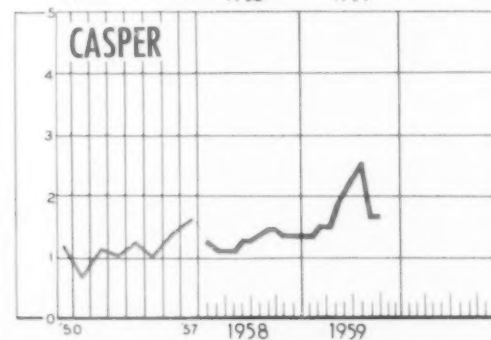
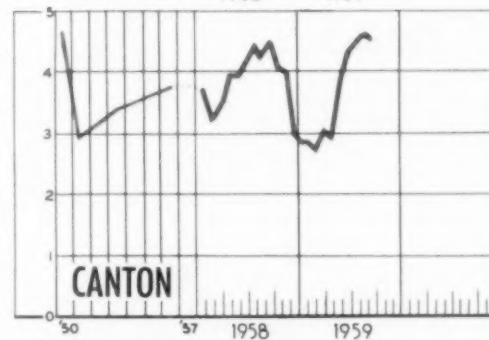
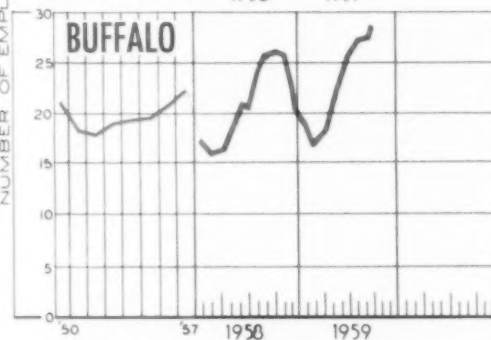
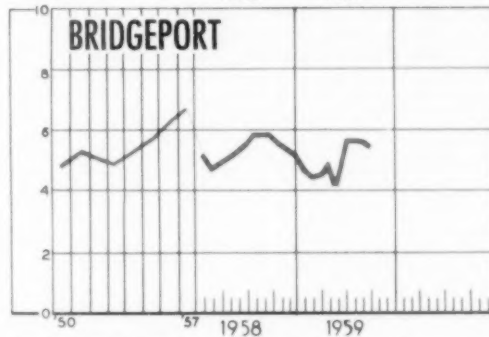
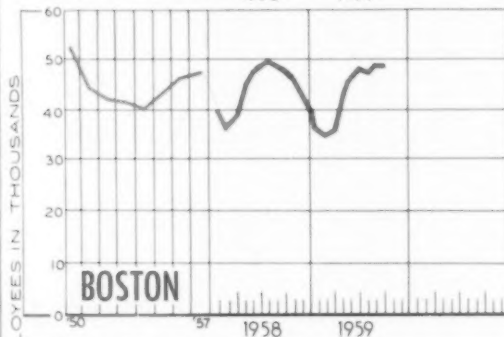
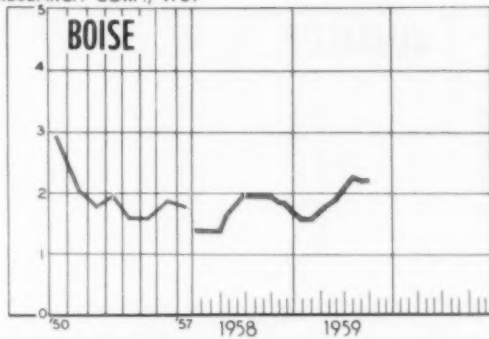
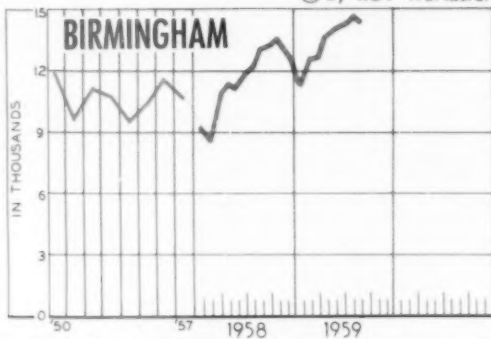
CONSTRUCTION EMPLOYMENT IN SELECTED AREAS

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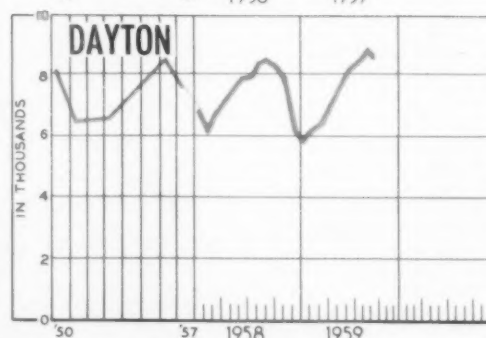
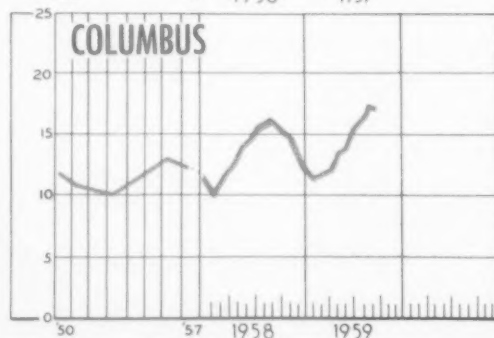
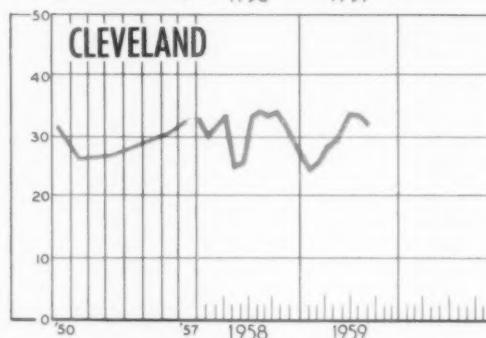
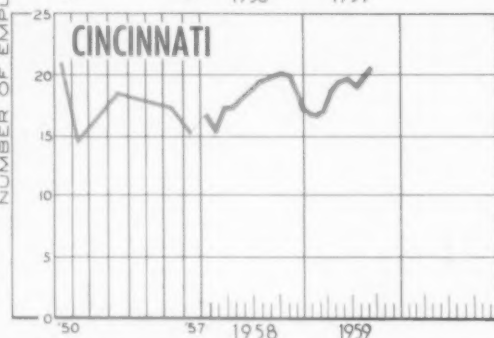
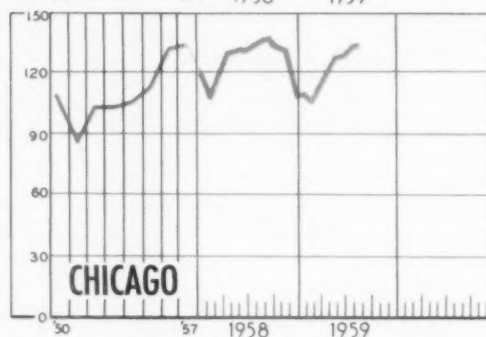
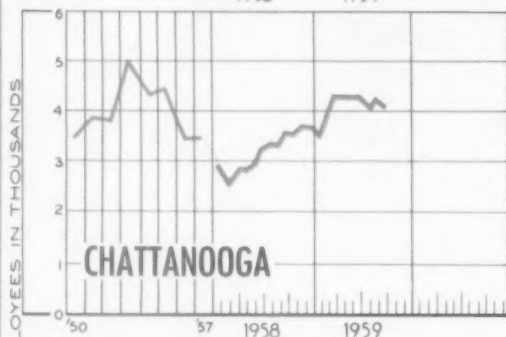
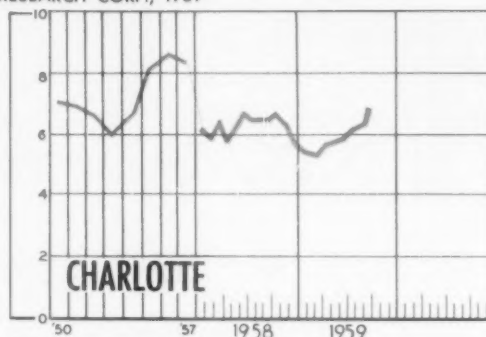
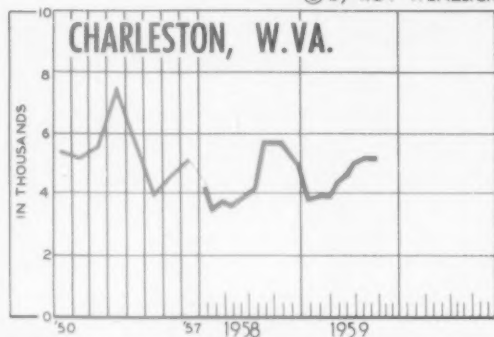
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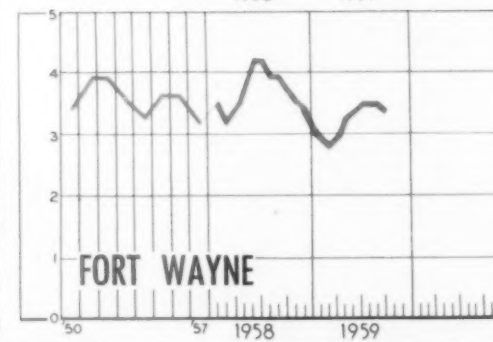
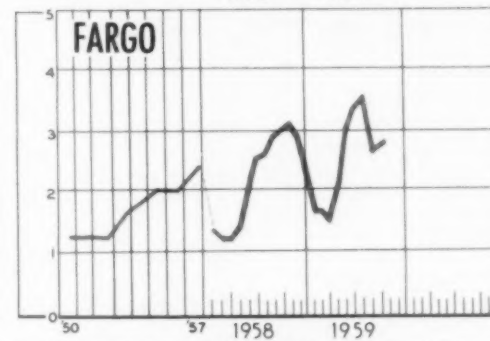
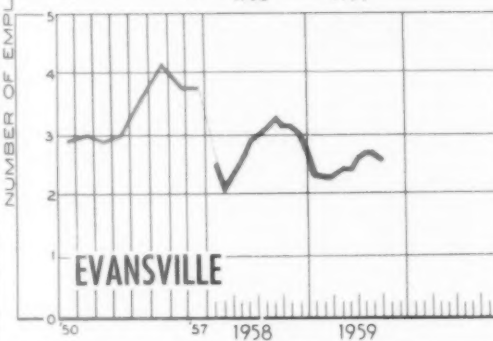
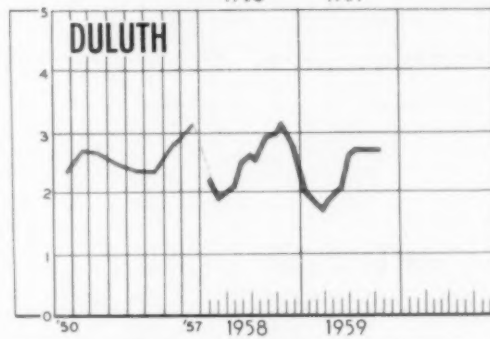
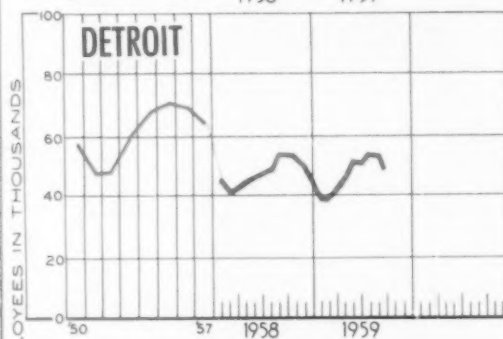
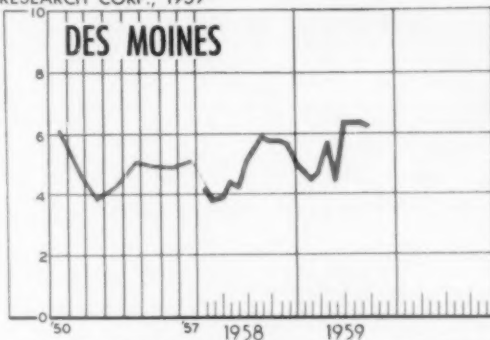
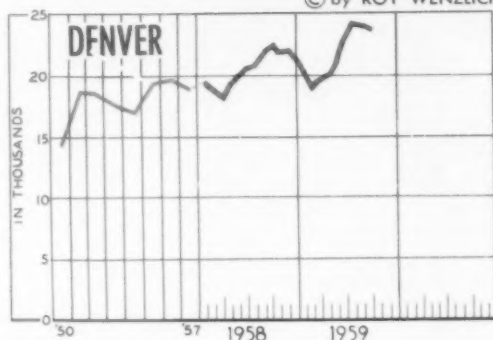
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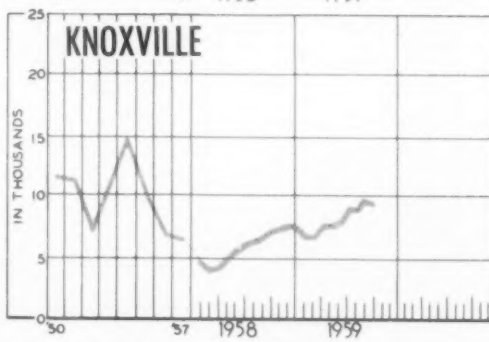
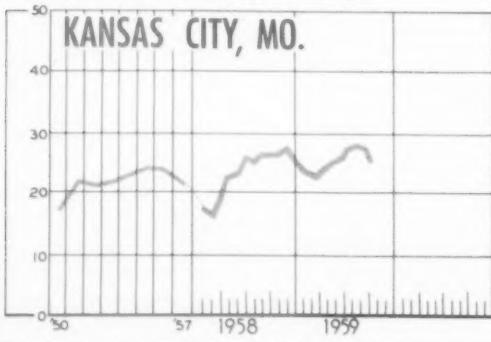
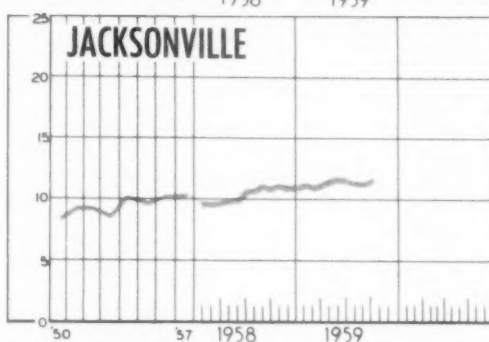
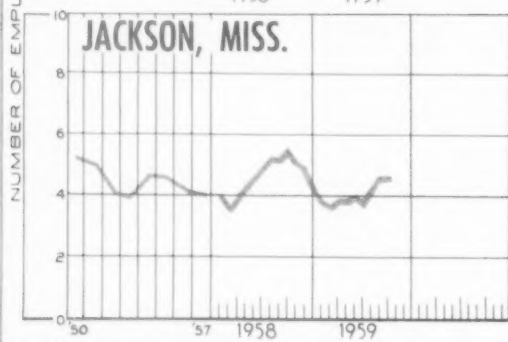
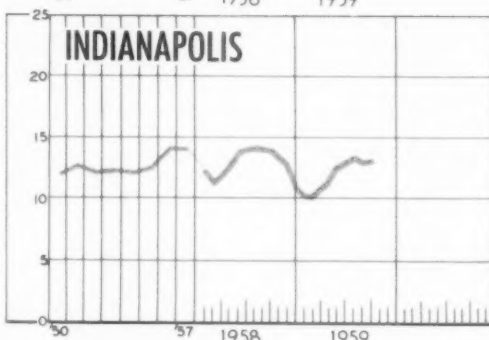
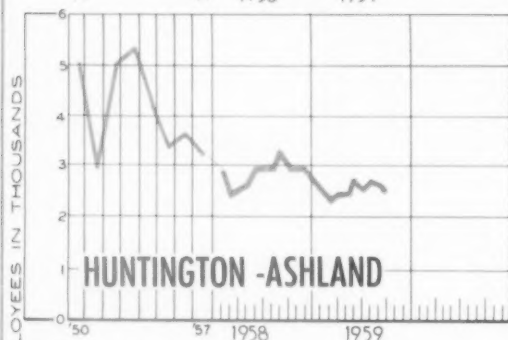
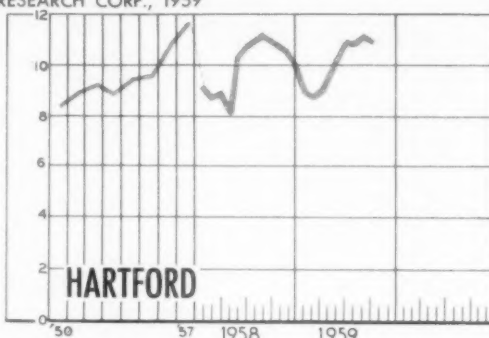
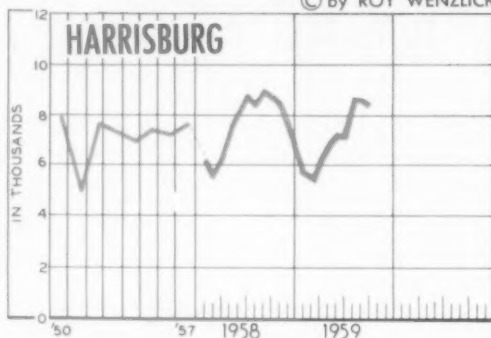
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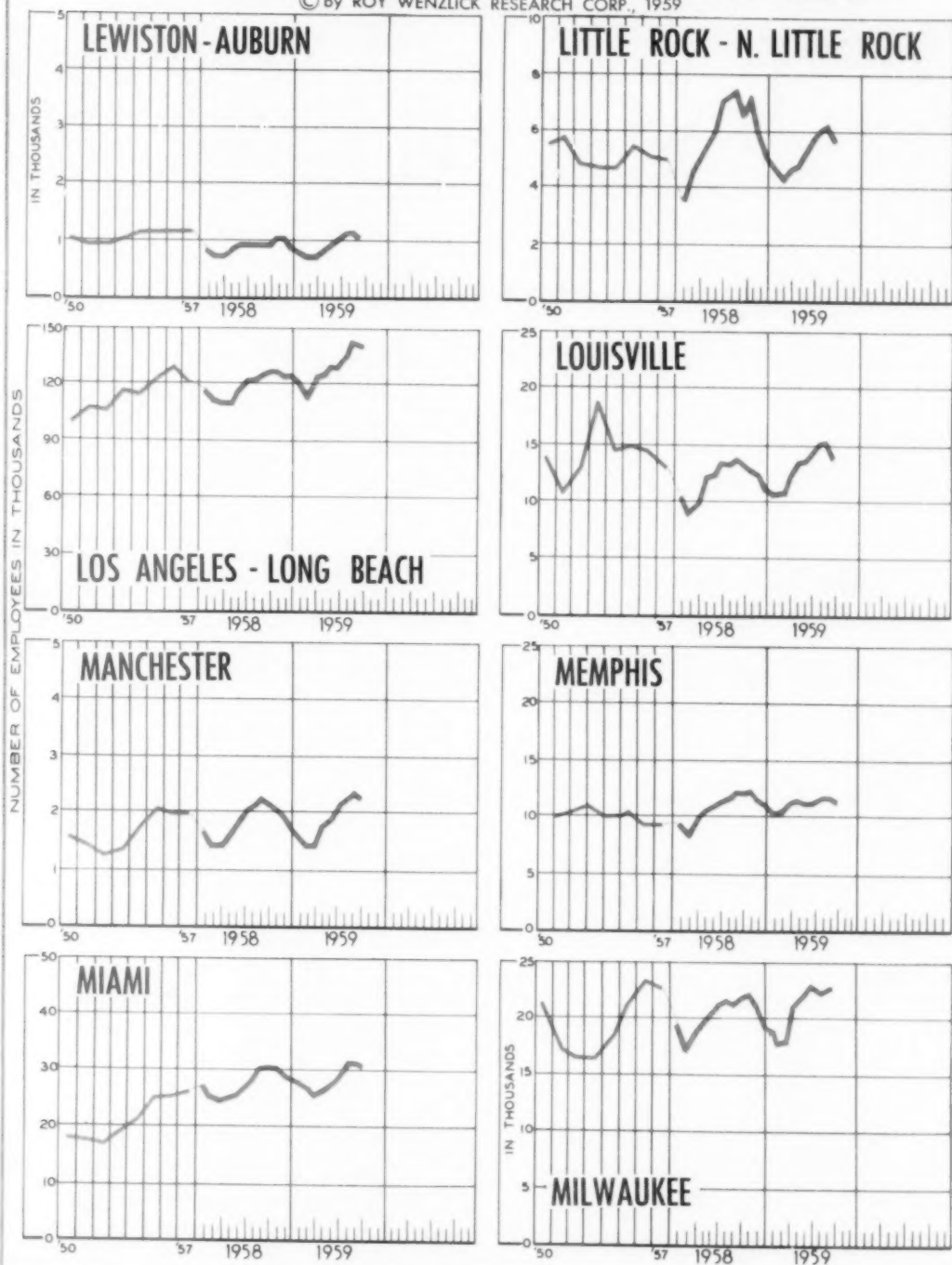
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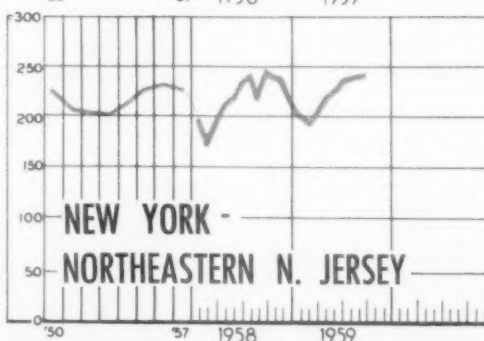
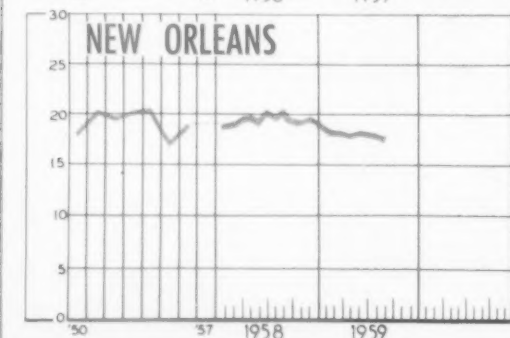
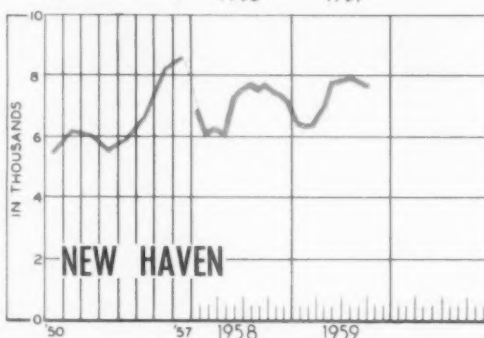
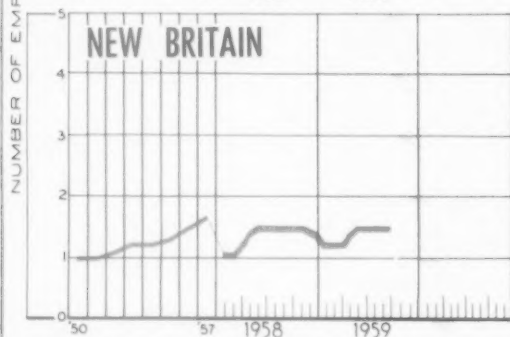
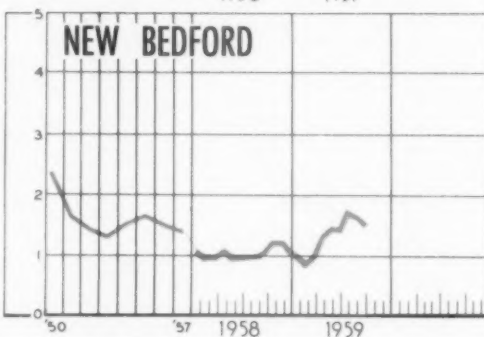
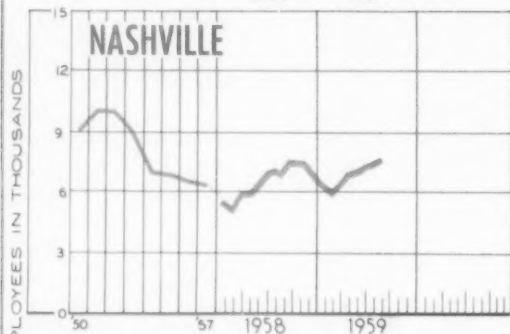
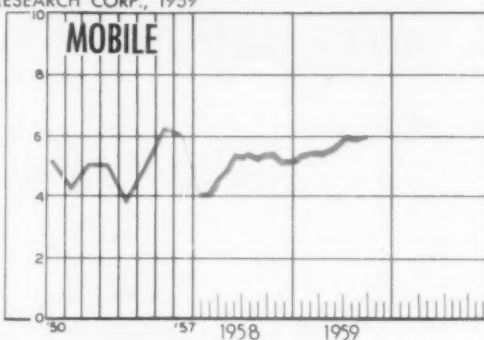
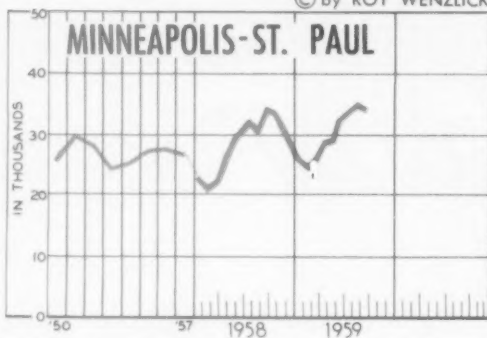
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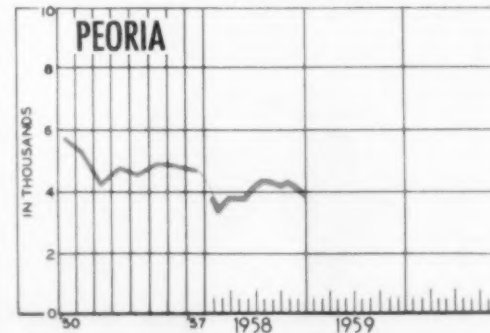
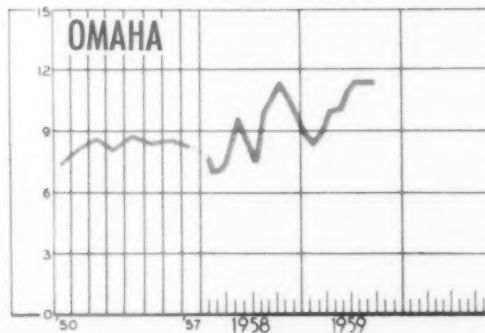
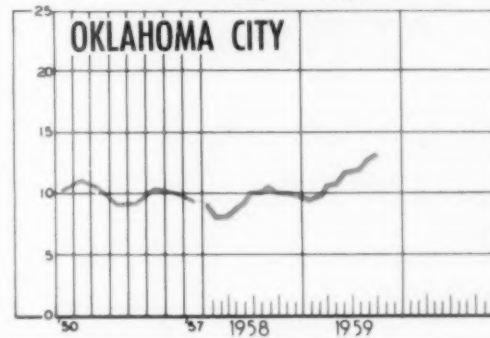
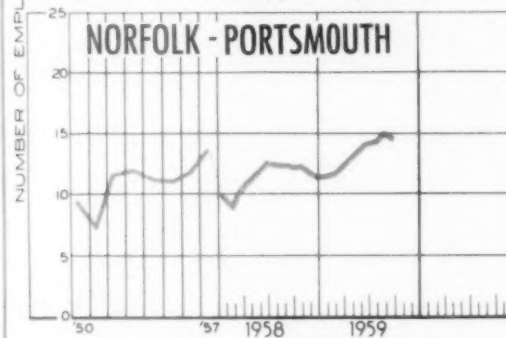
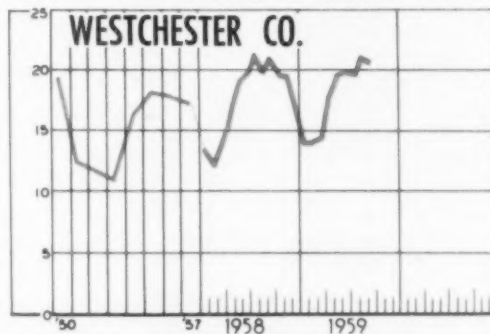
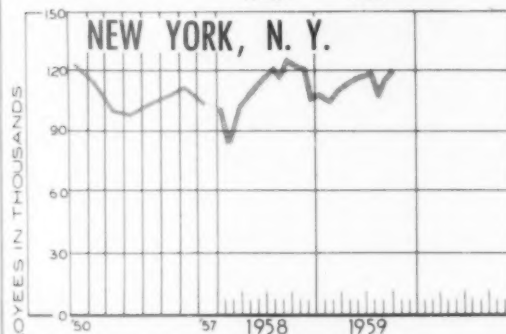
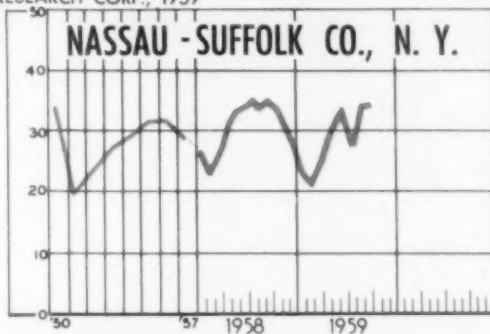
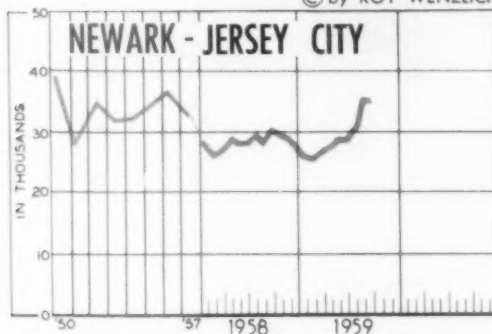
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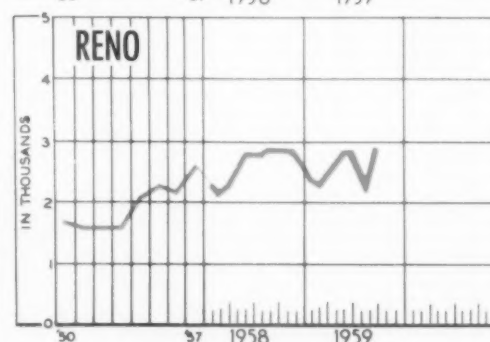
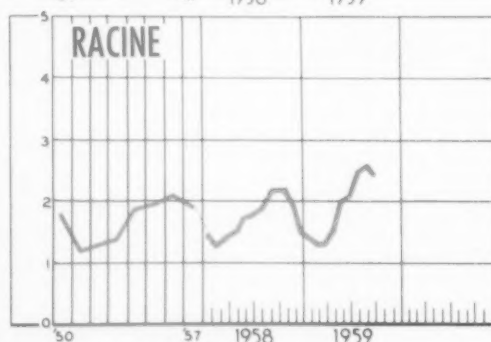
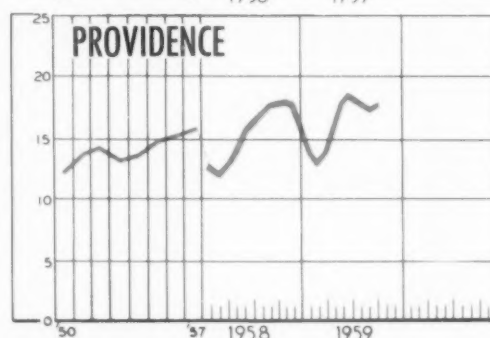
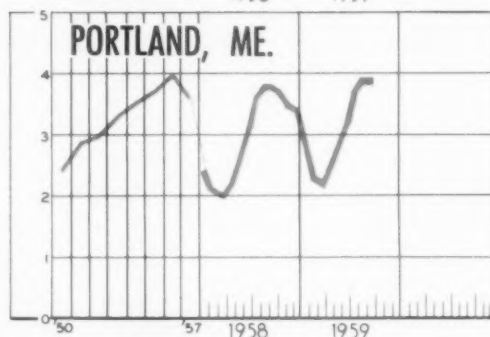
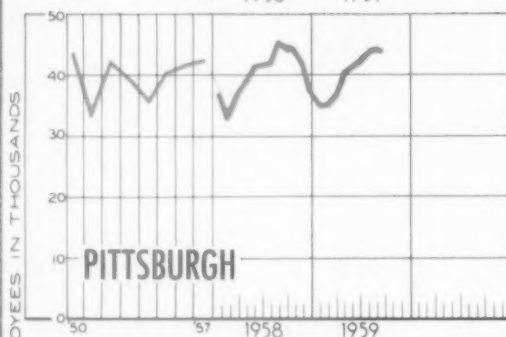
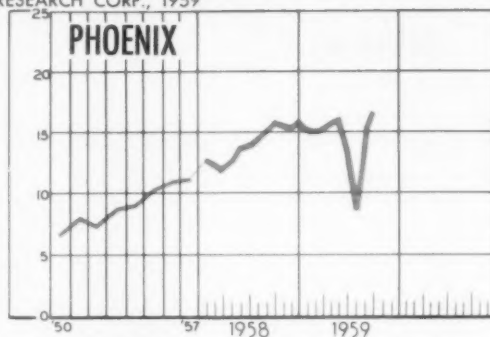
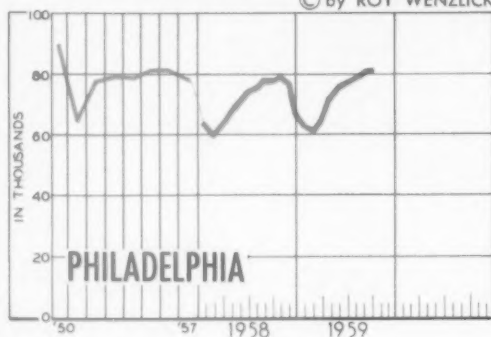
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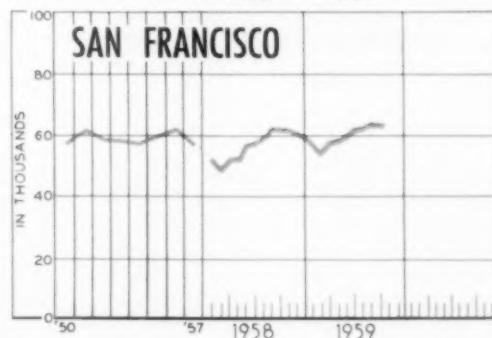
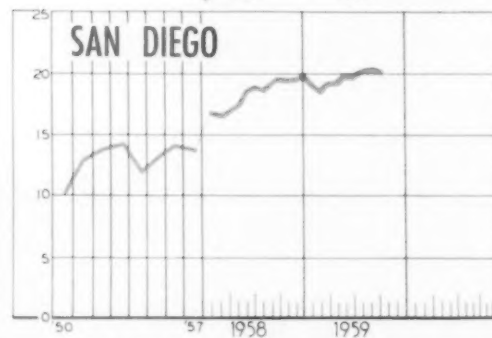
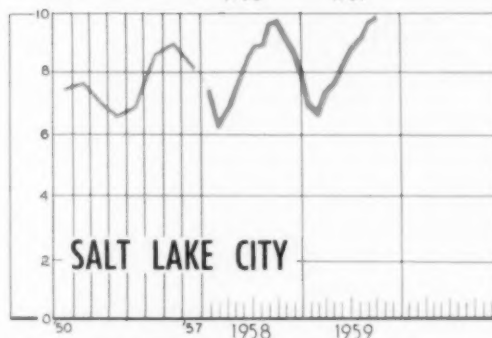
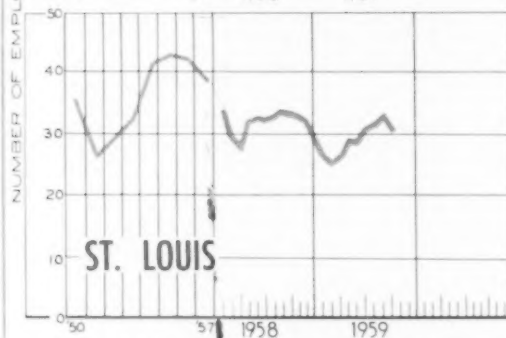
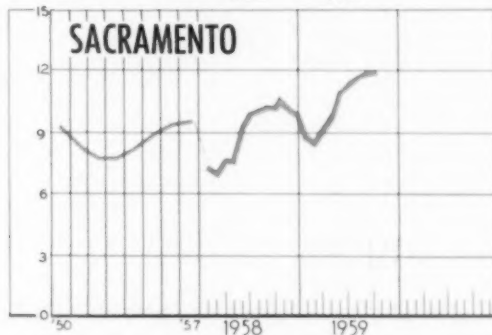
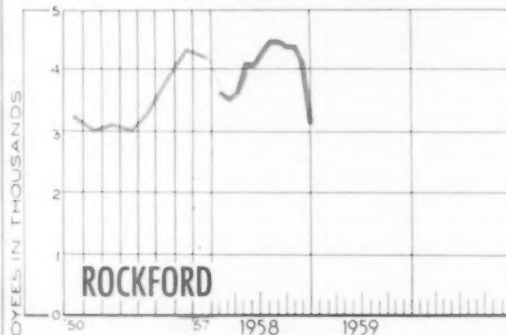
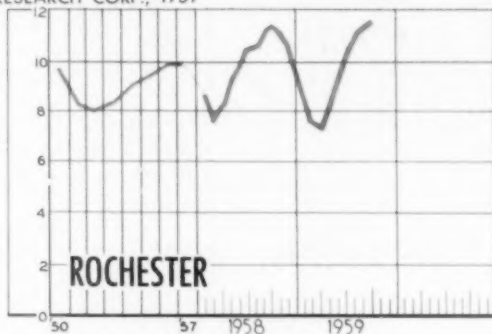
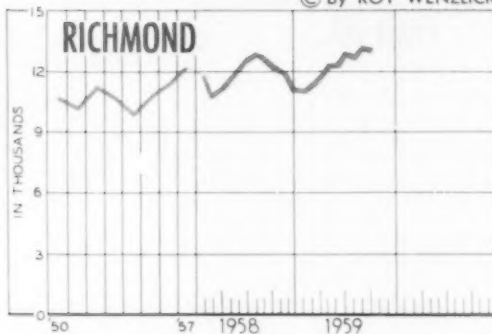
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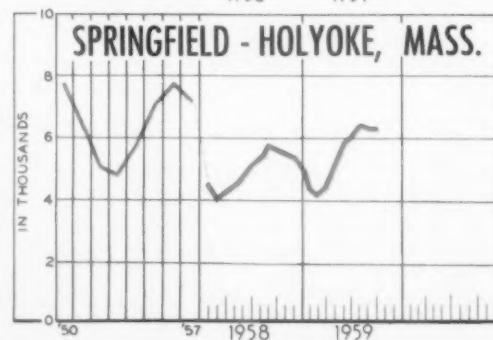
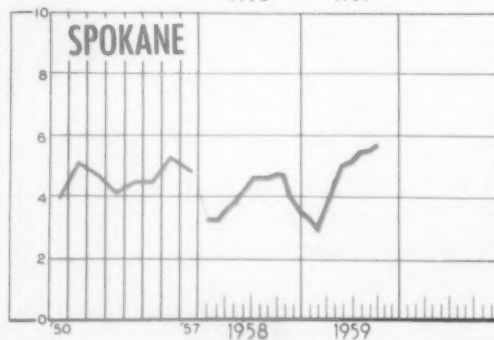
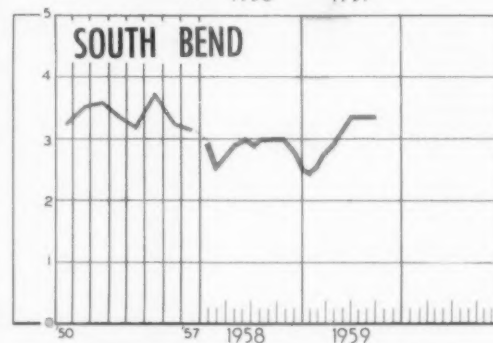
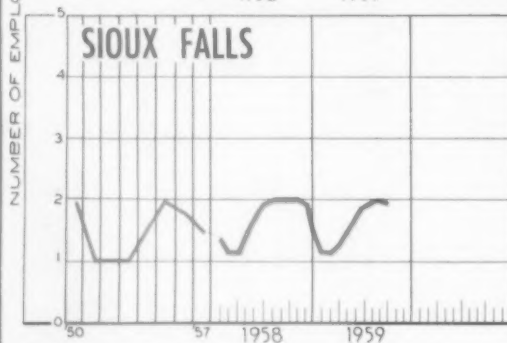
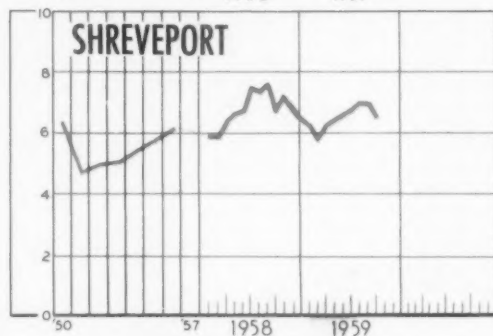
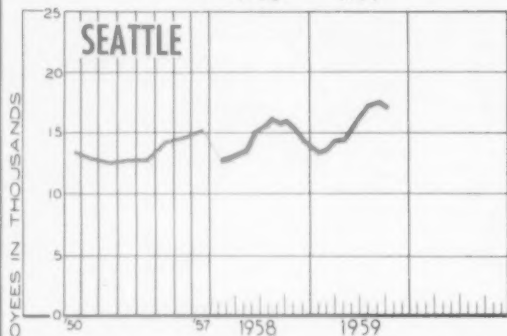
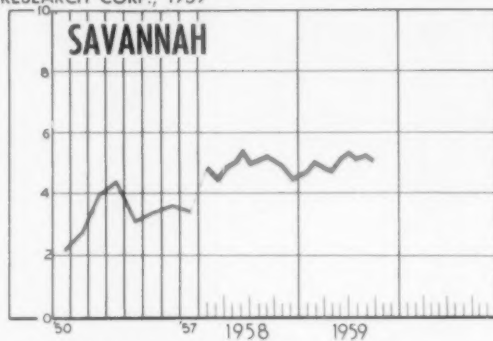
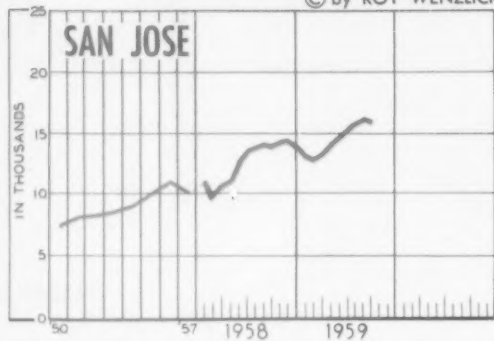
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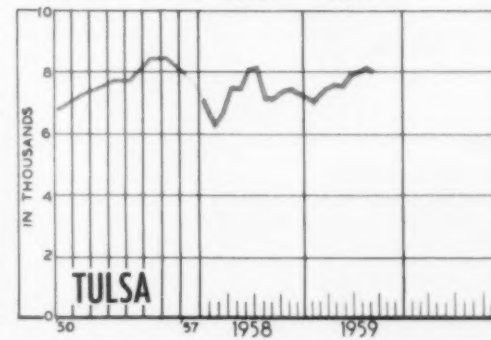
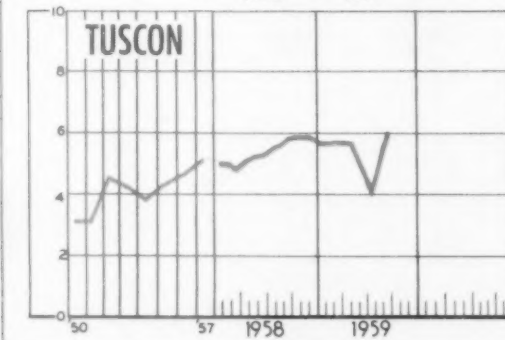
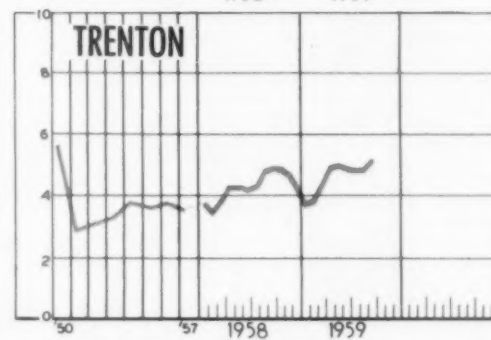
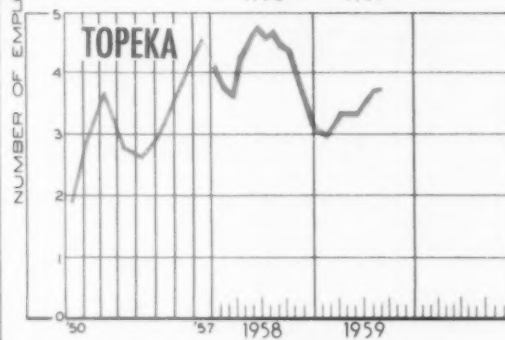
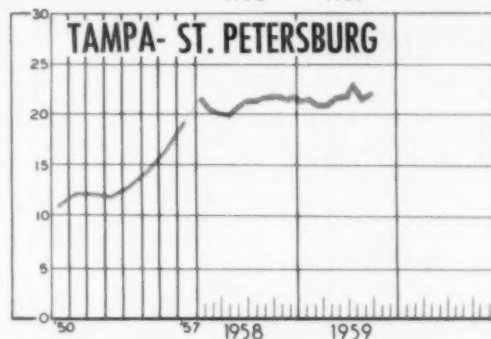
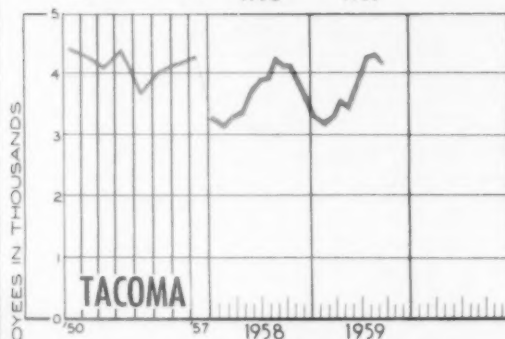
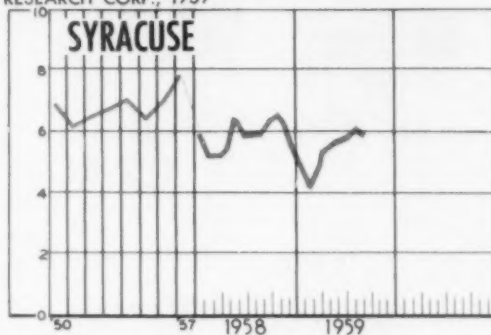
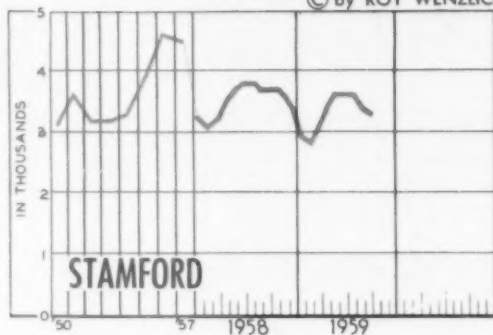
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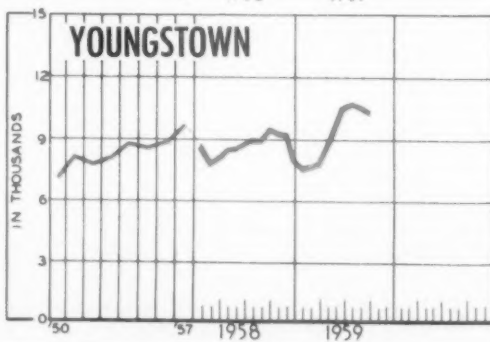
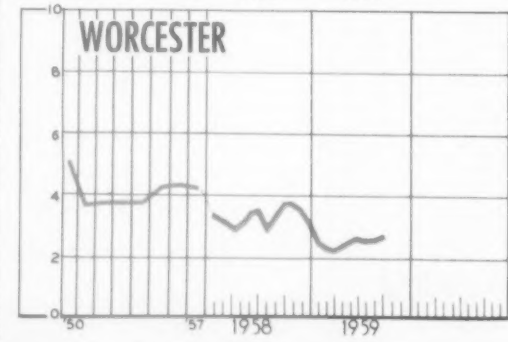
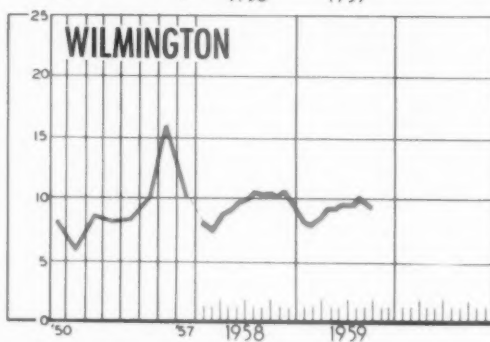
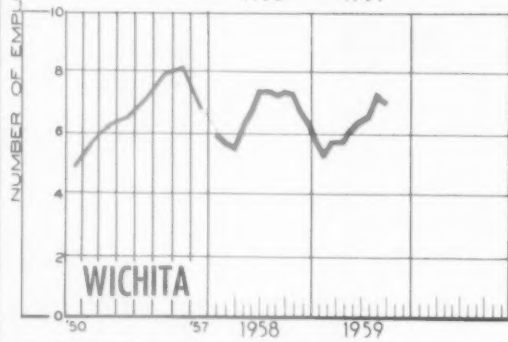
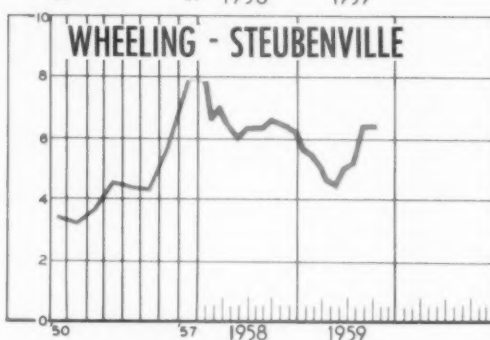
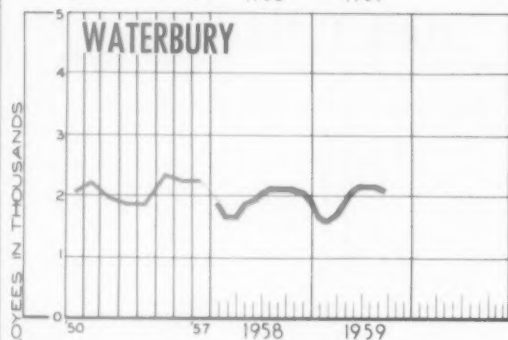
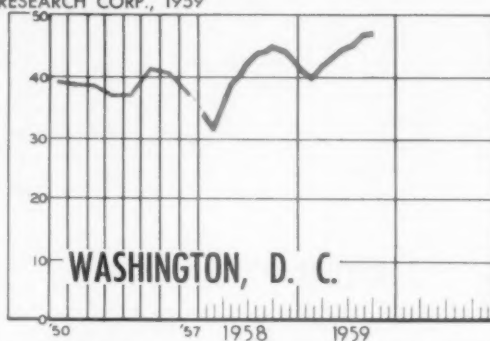
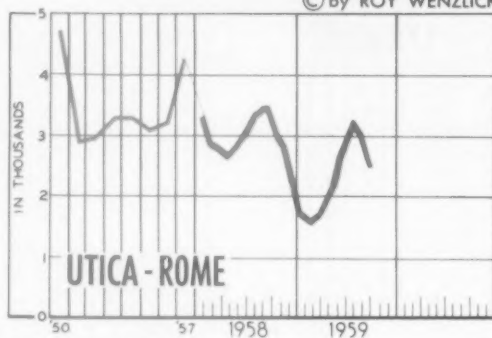
CONSTRUCTION EMPLOYMENT IN SELECTED AREAS

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CONTRACT CONSTRUCTION EMPLOYMENT BY STATES
(In thousands)

State	September 1958	September 1959	Percent Change September 1958-59
Alabama	41.4	39.9	-3.6
Arizona	29.1	29.2	+0.3
Arkansas	22.5	17.4	-22.6
California	298.5	300.7	+0.7
Colorado*	38.1	38.2	+0.3
Connecticut	51.7	49.6	-4.1
Delaware	12.2	12.6	+3.3
District of Columbia	21.6	23.1	+6.9
Florida	131.7	137.4	+4.3
Georgia	60.9	59.6	-2.1
Idaho	12.7	12.2	-3.9
Illinois*	180.3	188.3	+4.4
Indiana	71.9	67.3	-6.4
Iowa	39.9	43.6	+9.3
Kansas	39.8	36.9	-7.3
Kentucky	36.1	39.4	+9.1
Louisiana	63.9	62.5	-2.2
Maine	15.1	15.8	+4.6
Maryland	65.8	67.8	+3.0
Massachusetts	83.7	82.9	-1.0
Michigan	104.6	107.6	+2.9
Minnesota	63.3	66.9	+5.7
Mississippi	26.5	25.0	-5.7
Missouri	69.5	70.1	+0.9
Montana	13.6	13.3	-2.2
Nebraska	23.4	24.4	+4.3
Nevada	6.7	7.4	+10.5
New Hampshire	10.3	10.0	-2.9
New Jersey	98.5	102.6	+4.2
New Mexico	22.1	19.3	-12.7
New York	271.9	281.3	+3.5
North Carolina	61.5	57.7	-6.2
North Dakota	14.1	14.8	+5.0
Ohio	161.9	169.2	+4.5
Oklahoma	33.0	33.7	+2.1
Oregon	29.6	30.0	+1.4
Pennsylvania	188.9	180.0	-4.7
Rhode Island	20.2	19.8	-2.0
South Carolina	29.4	31.1	+5.8
South Dakota	10.9	11.1	+1.8
Tennessee	46.4	48.4	+4.3
Texas	156.4	173.5	+10.9
Utah	18.0	18.7	+3.9
Vermont	7.5	7.8	+4.0
Virginia	69.8	75.2	+7.7
Washington	49.5	50.1	+1.2
West Virginia	25.3	25.9	+2.4
Wisconsin	57.8	61.8	+6.9
Wyoming	10.1	10.1	0
NATIONAL	2,927.0	3,042.0	+3.9

*Data shown for August.

(cont. from page 539)

struction workers were subject to more than one period of unemployment, while in manufacturing during the same period, only 8.5 percent of the workers were subject to more than one period of unemployment.

The metropolitan areas of the South, with one exception, show very little seasonal variation. Miami's contract construction employment shows a regular decline during the winter season, which is probably due to a slack in construction during the tourist season.

When the employment figures for the rest of 1959 are recorded, they will show a more than seasonal decline because of steel shortages and tight money.

THE SKILLED CONSTRUCTION WORKER

DURING the peak construction season, there were about 4-3/4 million workers in the construction industry - about 6 percent of the total labor force. Employment in contract construction increased 40 percent from mid-1947 to mid-1959, while the labor force increased 20 percent during the same period.

While only 20 percent of the employees in manufacturing are classed as skilled workers, about 50 percent of the employees in contract construction are skilled. More than 40 percent of these are carpenters.

DISTRIBUTION OF EMPLOYMENT IN SKILLED BUILDING TRADES MID-1958

<u>Trade</u>	<u>Percent of Total</u>
Carpenters	41.3
Painters	13.8
Plumbers and pipefitters . . .	10.9
Bricklayers	8.6
Operating engineers	6.6
Electricians (construction) . .	4.5
Structural-ornamental, and reinforcing-iron workers . .	3.1
Plasterers	2.3
Roofers	2.0
Cement finishers	1.6
All others	5.3
	<u>100.0</u>

Although average hourly earnings of construction workers are higher than for manufacturing workers, the annual earnings do not show this difference because of seasonal employment and lost time between jobs.

Indications are that more power-equipment operators, electricians, and cement finishers will be needed each year than have been added to these trades during the last few years.

